Rs. 10,000. The object of this measure is to bring the debtor and creditor together before the Board and explain to both what the real position of the parties is and to make the creditor agree to accept, say, Rs. 5,000 and to lay down how this Rs. 5,000 should be paid and so on. If an agreement is reached by the parties, the Board will record it and issue a certificate and such certificate will be exactly like a decree of court executable, if necessary, through the civil courts.

The House adjourned for lunch at 1—2. P. M. and re-assembled at 2 P. M.

## NEW MEMBER.

Dr. M. K. Gopala Pillai took the oath and signed the rolls.

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## LEGISLATIVE BUSINESS (*contd.*)

MR. KAYALAM PARAMESVARAN PILLAI (*Additional Head Sirkar Vakil*) : I was trying to explain, Sir, the main principle of the Bill. It is to bring about an amicable settlement between the debtor on the one hand and the creditor on the other through the intervention of a Board of Conciliation. As I said, before we adjourned for lunch, by way of illustration, if there be a debt of Rs. 10,000, the Board would hear both the debtor and the creditor, consider the circumstances of the parties and then bring down the debt to say Rs. 5,000 considering the present value of money and assets of the debtor and so on. If both the parties agree, the Board will issue a certificate for that amount which will have validity as a decree of a court of law having jurisdiction in the area. Even if the parties do not agree, it is open to the Board to issue a certificate for an arrangement which they consider reasonable in the circumstances of the case, such certificate, issed even though the parties do not agree, is not binding on the parties ; but it will impose a penalty on the creditor, for, when he goes to the court with a suit to recover the debt, the future interest on the debt may be reduced to 6 per cent. and he may be made to suffer the costs of the suit. Sir, it seems to me that the Bill as designed is inadequate and perhaps even positively objectionable. I would say it is both unjust to the creditor and also not sufficiently just to the debtor.

It is unjust to the creditor because he has not been given any inducement to accept a reduced amount in repayment of the debt due to him. Sir, why should he accept the reduced amount suggested by the Board? Some inducement must be placed before him to accept it. For instance, if it had been provided that the debtor should pay such and such reduced amount in cash on the spot, that may be sufficient inducement, some sort of consideration, for the creditor to accept it in full discharge of his debt. For he gets cash and need not worry himself with a law suit. And the Rs. 5,000 now given in cash will perhaps be equal to the Rs. 10,000 which he advanced five years ago. But, Sir, there is no such provision for immediate payment in the Bill. That is why I said that the Bill is unjust to the creditor. And then if the

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